

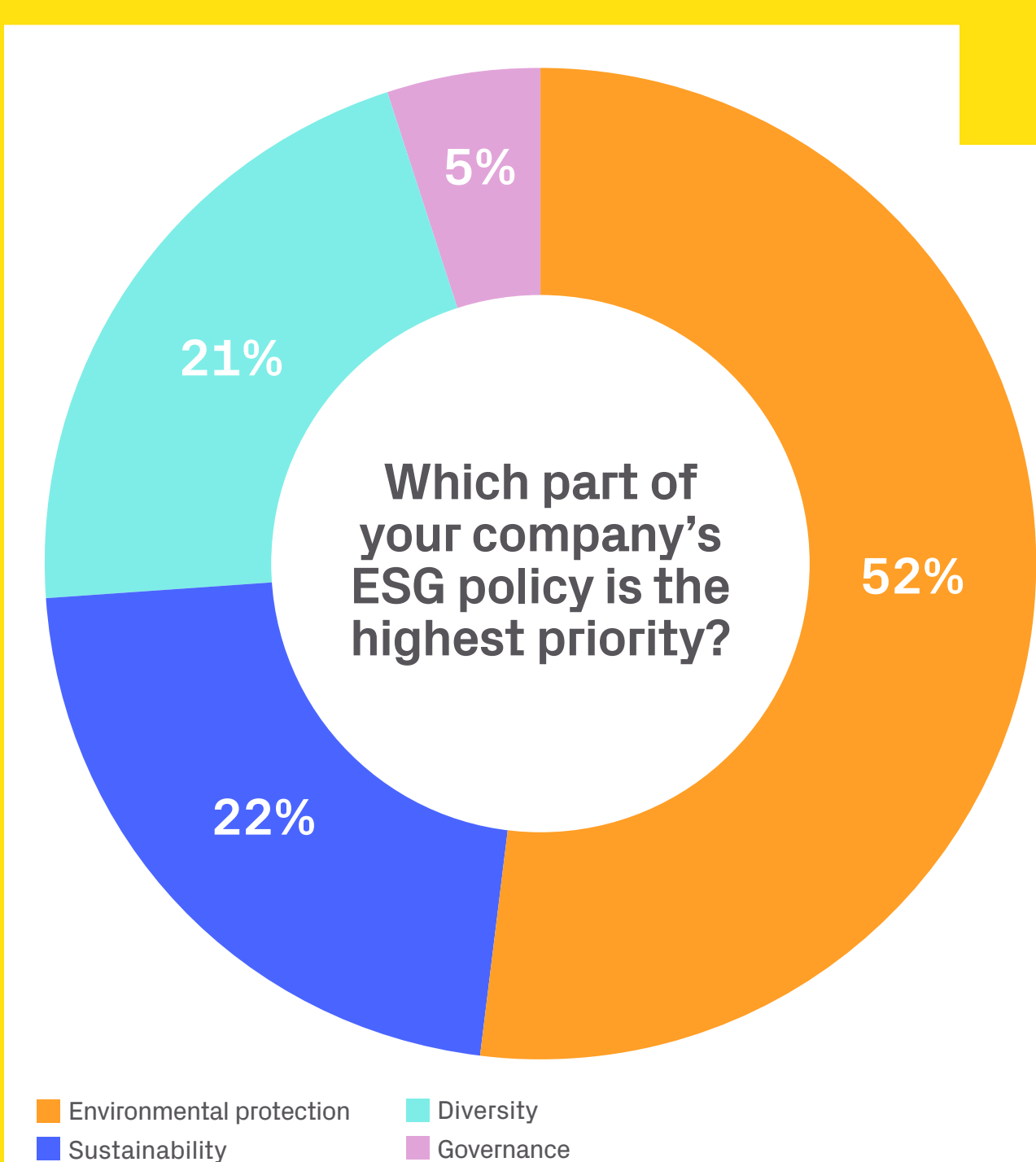
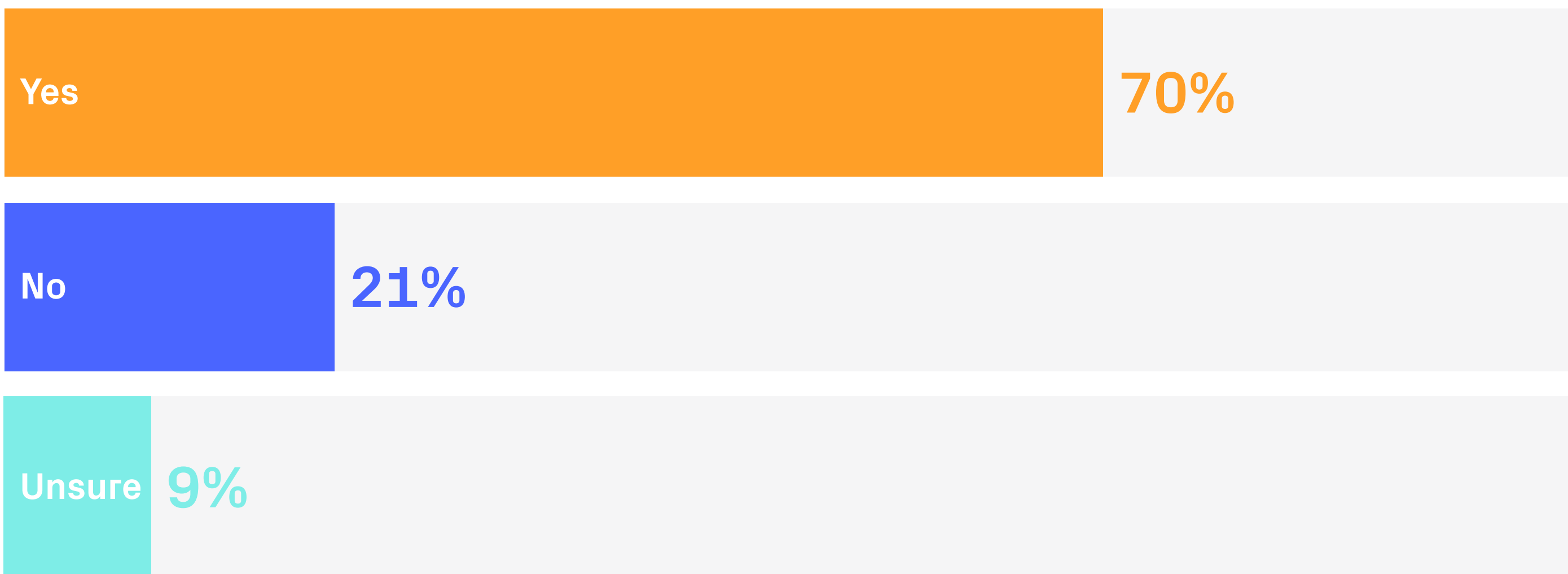
Climate Change's Impact on M&A

Though many businesses are still recovering from the pandemic, other more pressing challenges and opportunities are emerging. With extreme weather events wreaking havoc on supply chains and global infrastructure, businesses are turning their attention to climate change. To understand just what kind of effect climate change is having on global M&A, Datasite surveyed 400 dealmakers in the US and UK to find out. Following are some of the highlights.

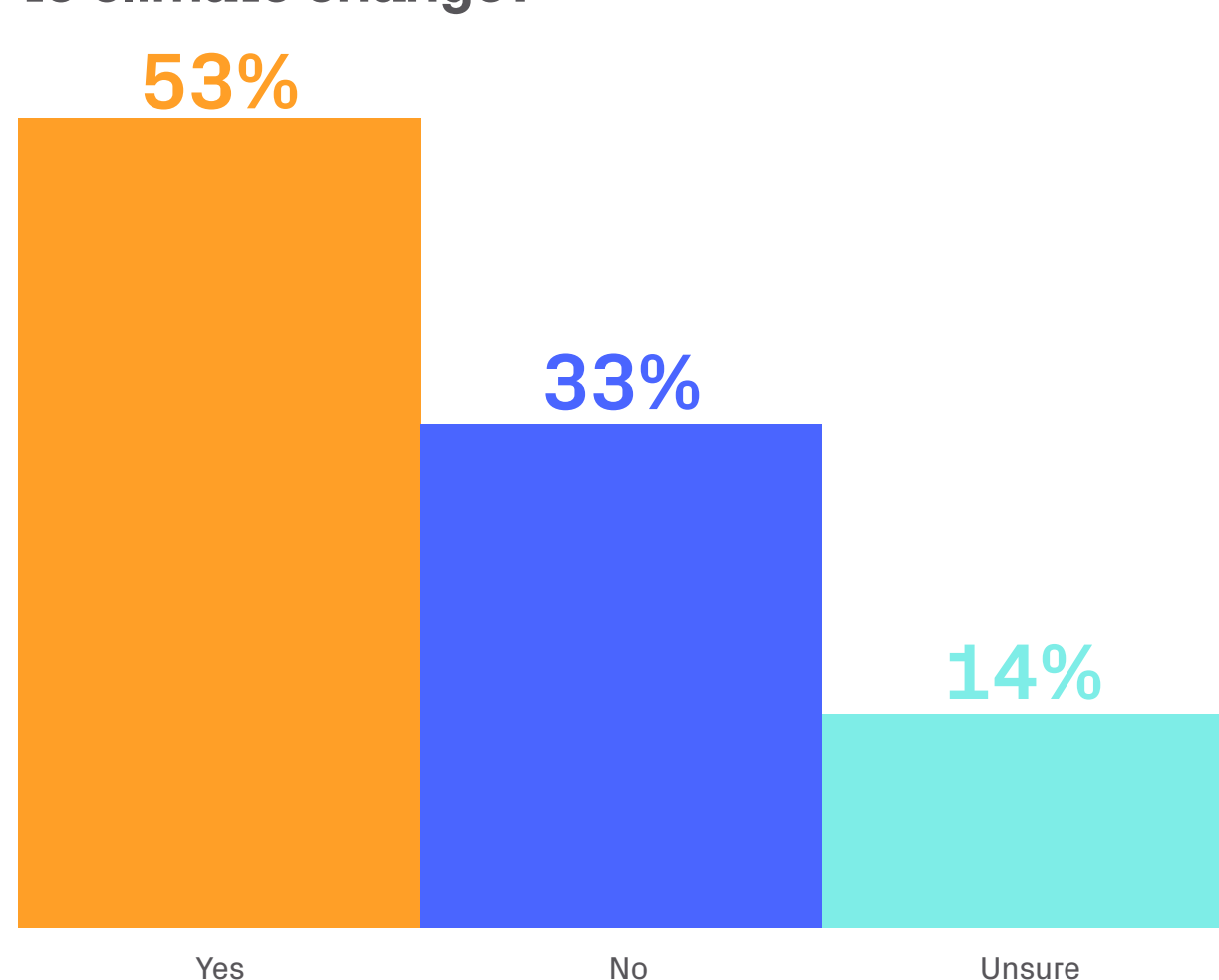
Boards and dealmakers are focused on ESG

Environmental, social and governance (ESG) factors are increasingly important to investors, and boards are taking note. According to dealmakers, not only has ESG moved up the board priority list, with environmental factors registering as the highest priority, but more than half of their companies are preparing for climate-change-related activist intervention.

Has ESG moved up your company's board priority list in the last year?



Is your company preparing for activist board intervention related to climate change?

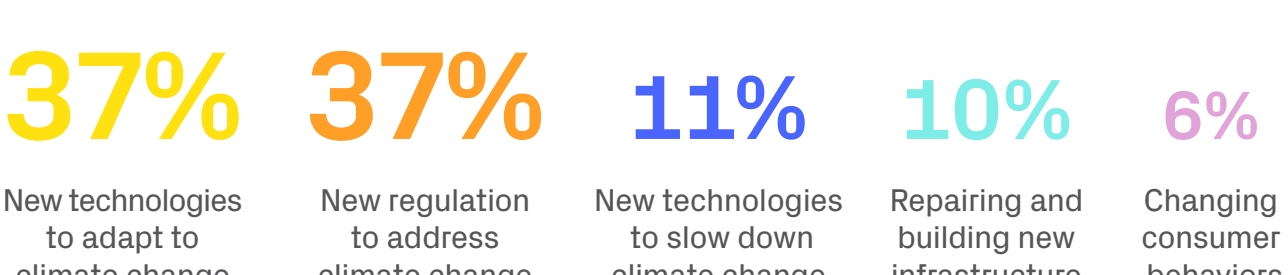


Transition to net zero

new technologies to drive M&A

Policy transition to net zero, combined with new technologies, will drive most climate-change related M&A, especially in the energy sector where most investment in the next five years will be focused on green energy initiatives. On the other hand, climate change is also expected to be the biggest deal blocker in the next 12 months. Likewise, dealmakers expect to spend more time looking at environmental risk factors during the due diligence phase of a deal.

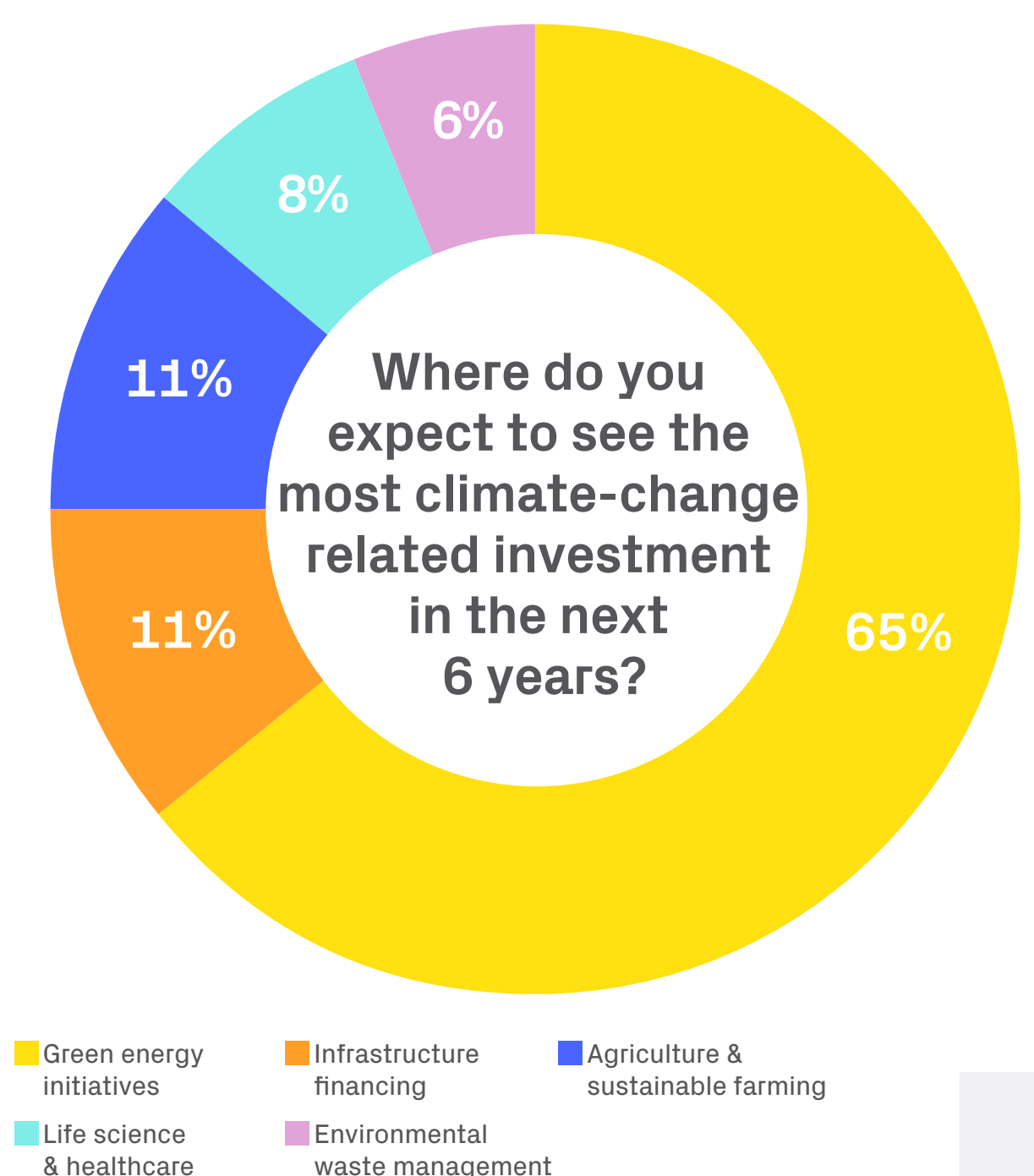
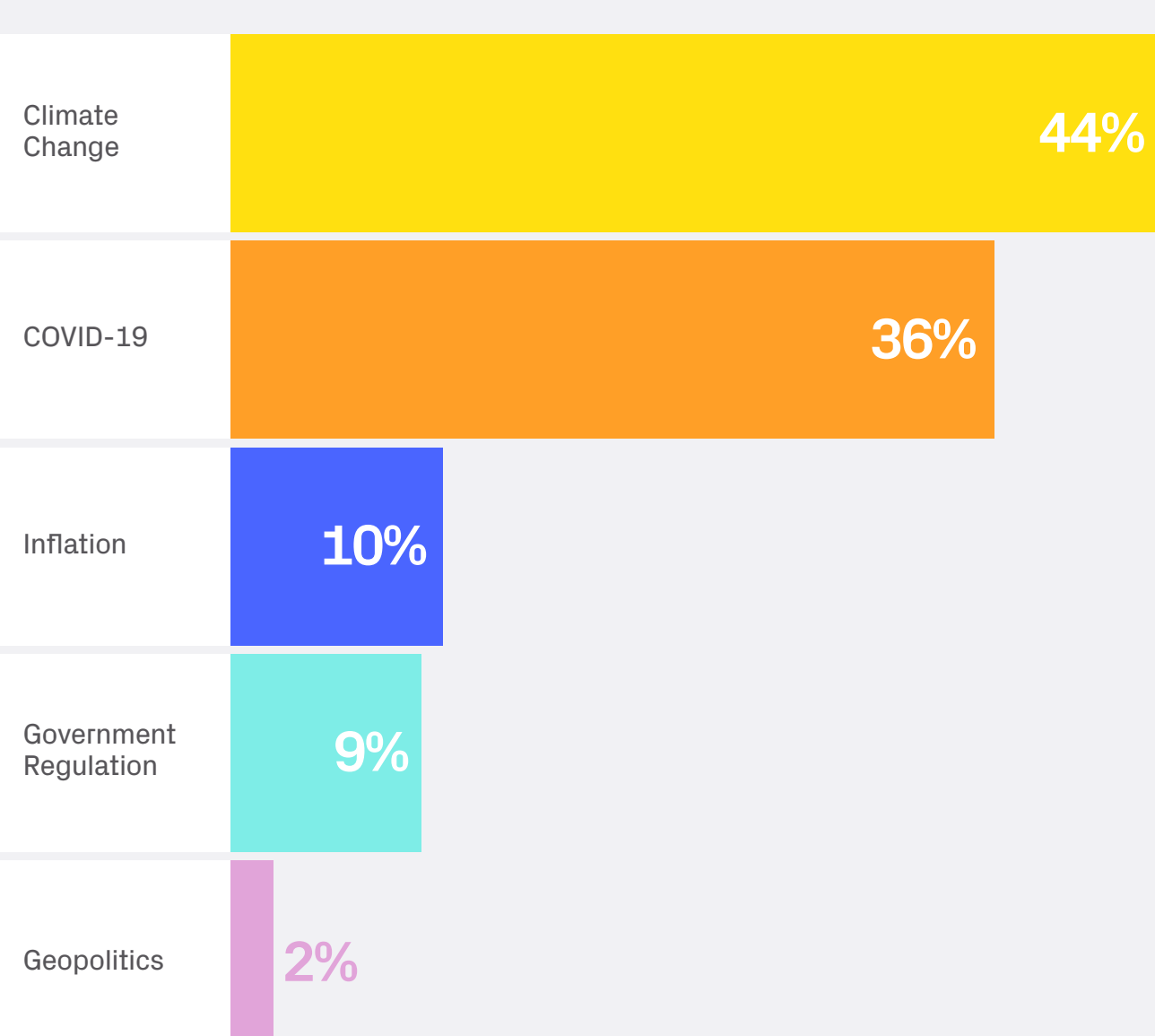
What will drive the most climate change-related M&A opportunities?



93%

expect an increased focus on environmental due diligence in the next 2 years.

What do you expect to be the biggest M&A dealbreaker in the next 12 months?



Climate change changing

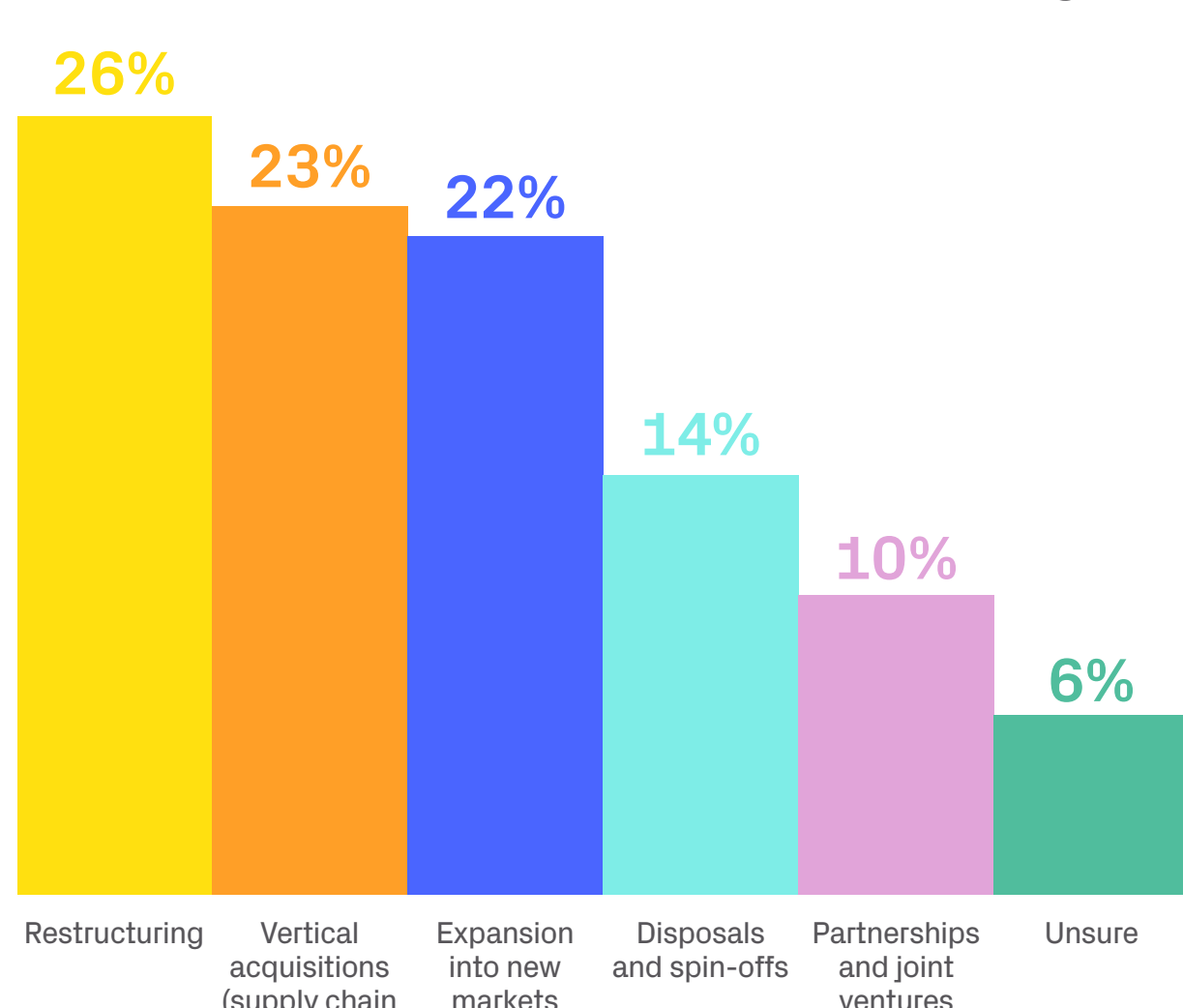
M&A strategies

Increasing incidents of heat waves, floods, wildfires and other physical risks are changing deal strategies. Many see restructuring or entry into new markets as the best way to deal with the challenges of climate change.

89%

Believe increasing physical risks like floods, earthquakes, rising sea levels, and hurricanes, from climate change will impact M&A strategies in the next five years.

What corporate strategies are you seeing considered in reaction to climate change?



Climate Change is Becoming Personal

Dealmakers are also worried about climate change's impact on their personal lives.

92% are extremely, very or moderately concerned about the impact of climate change on their future quality of life.

82% say that a company's ESG policies, including those related to climate change are important, when evaluating a job opportunity.

